

ACTION

AGENDA ITEM: Access Services: Interlibrary Loan

RECOMMENDED MOTION FOR CONSIDERATION BY THE BOARD: I

move that the Library of California Board direct its Chief Executive Officer to continue the extension of the statewide loan program through June 2000, based on reimbursing all Library of California eligible libraries for interlibrary loans to other libraries within California, and that an additional \$1,000,000 of Library of California funds be allocated for this pilot program.

BACKGROUND AND SUMMARY:

At its June 1999 meeting, the Board directed the State Library to extend the statewide interlibrary loan pilot program to include all eligible libraries within the state through December 1999. No additional funds were allocated at that time.

Staff intends to have the extended pilot program operational by September 1, 1999. Staff expects the number of libraries participating in the program to increase not only after the first announcement of the expansion of the pilot but also month-by-month as the pilot progresses. Extending the pilot through June 2000 would be beneficial because:

- Libraries will be more inclined to join the pilot program if they know from the beginning that they will be reimbursed for more than a few months.
- Conclusions drawn from the pilot program will be more valid statistically and conceptually if the pilot covers a longer period of time.
- Hopefully the pilot will coincide with the establishment of Library of California Regional Library Networks, so that funding for at least one of the LoC Access Services components will be available as the Regional Networks are created.
- More time will be available to test alternative funding methodologies for interlibrary loan, if the Board decides to go in that direction after reviewing the results of the cost study. This also will assist the Board as it prepares to establish regulatory formulas to funding Library of California loan programs.

There is limited statistical information available on multitype interlibrary loan activity in California. In attempting to estimate the funding necessary to support the pilot program

through June 2000, staff took the approach of looking at the current interlibrary loan pilot program as a base for projecting library participation in the expanded pilot.

The current pilot program has 53 participating libraries. ILL transactions reported for the first quarter of the pilot (April – June 1999) total 37,519 (see Exhibit A). That amount multiplied by the current CLSA ILL reimbursement rate of \$2.85 equals \$106,929. However, since the number of ILL transactions is typically lower for academic libraries in the late spring and early summer months, staff believes that the figure for April – June 1999 may be lower than average, and therefore the base reimbursement dollar amount to use in projecting future funding should be higher. Staff estimates that as many as three times as many libraries eventually will participate in the expanded pilot. Using \$125,000 per 50 libraries per quarter as the base number (or \$833.33 per library per month), staff estimates that extending the pilot through June 2000 will cost \$1,250,000, minus the unspent remainder (approximately \$200,000) of the original pilot allocation, bringing the total to \$1,050,000.

150 libraries @ \$833.33 per month	\$ 125,000
Extended pilot time period (10 months -- Sep – Jun)	$\times \frac{10}{1,250,000}$
Remainder of current pilot allocation	$- \frac{200,000}{1,050,000}$

Staff Recommendation:

Staff recommends that \$1,000,000 of Library of California funds be allocated for the expanded interlibrary loan pilot program through the remainder of the current fiscal year. The Library of California funds needed to reimburse public libraries for their loans to for-profit and non-institutional libraries should be minimal. Payments will continue to be paid at the CLSA pro-rated formula.

During the course of the extended pilot, the Board may wish to modify or change the funding methodology – the CLSA reimbursement rate – depending on the results of the cost study now in progress. Having a longer time period for the pilot allows staff the opportunity to fine-tune the reporting and payment procedures and to observe how well this specific resource-sharing program works within the Library of California infrastructure.

If, after several more months of data collection, it appears that staff projections are too high, a portion of the funding can be reallocated to another Library of California program. If projections are low, and it becomes obvious that the funding is insufficient, the Board may wish to terminate the pilot program before June 2000.

GENERAL OVERALL PROGRAM UPDATES:

Interlibrary And Direct Loan Cost Study

The study of costs of providing interlibrary loan and direct loan services in California's multitype library environment is underway. A contract has been signed with the consultant hired to perform the study. A background study of other states' loan funding programs is due in early October. The consultant is scheduled to present various funding options, as well as a recommendation for the best funding approach for California, to the Board at its November meeting.

RELATED ISSUES TO COME BEFORE THE BOARD IN THE FUTURE:

1. Report on activity levels of the ILL pilot program.
2. Consultant's report on funding options (November 1999).
3. What onsite, patron referral services should be supported under the Library of California and what reimbursement formulas (or subsidies) are appropriate for each?
4. How will electronic direct access services be defined, authorized, delivered, and reimbursed?

Relevant Committee: Access Services
Staff Liaison: Tom Andersen